STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ILLINOIS

Citation	Condition or Requirement

1906 of the Act

State Method on Cost Effectiveness of Employer-Based Group Health Plans

Cost effectiveness will exist when the sum of payments made by the insurance provider as specified on the EOBs (Explanation of Benefits) and/or the sum of fees for medical services as specified on monthly statements from the medical providers divided by the number of months represented by the EOBs and/or statements is greater than the monthly insurance premium multiplied by 2.5 creating a 2.5:1 ratio.

1. EOBs and/or statements must represent consecutive months.
2. Medical services must be clearly identifiable.
3. Only fees for medical services which are part of the IDPA medical assistance program will be used.
4. A minimum of three months EOBs and/or medical provider statements will be used. In some cases a statement of condition of the client and a prescribed treatment plan from the attending medical provider may be used.
5. Medical providers will be contacted by the central office to obtain necessary medical documentation including medical diagnosis, recent fees for service charges, and anticipated treatment costs.
6. Insurance providers will be contacted by the central office to obtain past benefit claims payments, covered medical services, deductible amounts, co-payment fees and lifetime maximum benefit limits.
7. Employers or unions will be contacted by the central office to obtain information for enrollment and payment of premiums for group health insurance.
8. Anticipated Medicaid costs will be projected for clients who do not have a recent history of medical expenses.

• U.S. Government Printing Office : 1991 - 312-149/40352

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Citation	Condition or Requirement
1906 of the Act	State Method on Cost Effectiveness of Employer-Based Group Health Plans

Premiums will be paid for all clients who are already enrolled or can enroll in a cost effective group health plan. Premiums will be paid for cost effective group health plans which include non-medical assistance eligible persons if it is necessary to ensure retention of the GHP for medical assistance eligible clients. Premiums will not be paid for clients whose health care is provided by an absent parent who is ordered to provide medical support. Premiums will not be paid for clients who have GHP provided by their employers and unions at no cost to the client.

All HIPP Referrals will be examined on a case-by-case basis with an override capability to pay premiums for group health plans which are not cost effective if the clients anticipated medical needs included a high cost treatment program.